

COMMONWEALTH OF KENTUCKY  
BEFORE THE UTILITY REGULATORY COMMISSION

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In the Matter of

THE APPLICATION OF LONE )  
OAK WATER DISTRICT FOR )  
AN ADJUSTMENT OF RATES )

CASE NO. 7862

O R D E R

On May 21, 1980, the Lone Oak Water District, hereinafter referred to as the "Applicant," filed with this Commission its duly verified application seeking a decrease in its water service rates.

The complete record in this matter has been considered by the Commission in the making of this Order.

TEST PERIOD

The Applicant has proposed, and staff has adopted for use, the twelve (12) months ending December 31, 1979, for the purpose of determining the reasonableness of the proposed rates. Proforma adjustments have been included where found fair, just and reasonable.

REVENUE AND EXPENSES

The Applicant has projected the expenses and revenue for the first year after the current rates granted in Case No. 7349, dated September 12, 1979, have been in effect. During March, 1979, the cost of water purchased from the City of Paducah was increased significantly. Therefore, the Commission granted the Applicant an increase in its water service rates to cover the increase in purchased water and other expenses related to Case No. 7349. During November, 1979, however, the City of Paducah rescinded approximately twenty-five percent of the previous increase to all customers, thereby reducing the rates to the Applicant for purchased water. Therefore, the Applicant is seeking to decrease its water service rates by approximately 5.7%

on the current rate structure for 1,790 customers. The Applicant also has projected that certain operating expenses will increase by seven percent. The Commission is of the opinion that the adjustments are proper and they have been accepted for the purpose of establishing rates. As shown below, the net effect of these adjustments is to decrease net operating income for 1980 by \$16,330.

	<u>Actual</u>	<u>1980 Projected Under Current Rates</u>	<u>Proforma Requested</u>
Operating Revenue	\$246,363	\$298,136	\$281,806
Operating Expenses	<u>238,544</u>	<u>250,446</u>	<u>250,446</u>
Net Operating Income	<u>\$ 7,819</u>	<u>\$ 47,690</u>	<u>\$ 31,360</u>

#### SUMMARY

The Commission, after consideration of all the evidence of record and being advised, is of the opinion that the rates proposed by the Applicant and set forth in Appendix "A" of this Order are fair, just, and reasonable rates for the Applicant.

IT IS THEREFORE ORDERED that the rates set out in Appendix "A," attached hereto and made a part hereof, be and they are hereby approved for services rendered by Lone Oak Water District, effective upon the date of this Order.


IT IS THEREFORE ORDERED that Lone Oak Water District file with this commission within thirty (30) days from the effective date of this Order its revised tariff sheets setting forth the water service rates approved herein.

Done at Frankfort, Kentucky, this the 2nd day of July, 1980.

UTILITY REGULATORY COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary

# APPENDIX "A"

## APPENDIX TO AN ORDER OF THE UTILITY REGULATORY COMMISSION IN CASE NO. 7862, DATED JULY 2, 1980.

The following rates are prescribed for all customers served by Lone Oak Water District. All other rates and charges not mentioned specifically herein shall remain the same as those in effect prior to the date of this Order.

### USAGE BLOCKS

### MONTHLY RATES

#### 5/8 inch x 3/4 inch meter

First	2,500 gallons	\$5.20	(Minimum)
Next	7,500 gallons	1.84	per 1,000 gallons
Next	10,000 gallons	1.41	per 1,000 gallons
Next	30,000 gallons	1.18	per 1,000 gallons
Next	50,000 gallons	1.13	per 1,000 gallons
Over	100,000 gallons	1.08	per 1,000 gallons

#### 3/4 inch meter

First	2,500 gallons	\$5.20	(Minimum)
Next	7,500 gallons	1.84	per 1,000 gallons
Next	10,000 gallons	1.41	per 1,000 gallons
Next	30,000 gallons	1.18	per 1,000 gallons
Next	50,000 gallons	1.13	per 1,000 gallons
Over	100,000 gallons	1.08	per 1,000 gallons

#### 1 inch meter

First	5,000 gallons	\$9.80	(Minimum)
Next	5,000 gallons	1.84	per 1,000 gallons
Next	10,000 gallons	1.41	per 1,000 gallons
Next	30,000 gallons	1.18	per 1,000 gallons
Next	50,000 gallons	1.13	per 1,000 gallons
Over	100,000 gallons	1.08	per 1,000 gallons

#### 1-1/2 inch meter

First	10,000 gallons	\$19.00	(Minimum)
Next	10,000 gallons	1.41	per 1,000 gallons
Next	30,000 gallons	1.18	per 1,000 gallons
Next	50,000 gallons	1.13	per 1,000 gallons
Over	100,000 gallons	1.08	per 1,000 gallons

#### 2 inch meter

First	20,000 gallons	\$33.10	(Minimum)
Next	30,000 gallons	1.18	per 1,000 gallons
Next	50,000 gallons	1.13	per 1,000 gallons
Over	100,000 gallons	1.08	per 1,000 gallons